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SUBJECT: HUI SAID XI SAID: CHINESE LEADERS VISIT LATIN
AMERICA AND THE CARIBBEAN

REF: A. 08 BEIJING 3760

[1](#)B. 08 BEIJING 4253

Classified By: Political Minister-Counselor Aubrey Carlson,
reasons 1.4 (b/d).

[1](#)1. (C) Summary: The overlapping visits of two of China's top leaders to Latin America and the Caribbean February 7-22 were marked by numerous investment and aid agreements. While some of the agreements lacked substance or were rehashed from previous visits, our contacts say China has begun to implement "the spirit" of a late-2008 Chinese policy paper calling for expanded relations with the region. Our Chinese contacts emphasized repeatedly that neither the visits nor Chinese relations with the region are aimed at the United States, the primary motivating factor behind both being economic. End Summary.

The Visits

[1](#)2. (SBU) In February, two of China's top leaders visited nine Latin American and Caribbean nations. Vice President Xi Jinping visited Mexico, Jamaica, Colombia, Venezuela and Brazil February 8-22, and Vice Premier Hui Liangyu visited Argentina, Ecuador, Barbados and the Bahamas February 7-19. Official Chinese state-controlled media reported that the visits reflected the "rising importance" of the region and emphasized the importance that China placed on its relationships there.

The Visit Is the White Paper in Action

[1](#)3. (C) The overlapping visits to the region by two of China's top leaders represents the "implementation of the spirit" of the State Council White Paper on developing China's relations with the region, Ministry of State Security-affiliated China Institutes for Contemporary International Relations (CICIR) Latin American Studies Division Assistant Research Professor Sun Yanfeng told PolOff February 20. The White Paper, published in November 2008, codifies standard Chinese platitudes on "the desire for greater mutual understanding and cooperation," the need for "mutual respect and mutual trust," and the desire for "win-win results." In the political field, the paper calls for increased high-level exchanges. Economically, the paper calls for increased trade and greater cooperation in the fields of investment, finance, agriculture, industry, infrastructure and energy and resources. The paper also calls for greater cooperation in

science and technology, such as in fighting climate change, and in the fields of "peace, security and judicial affairs," such as police exchanges, military cooperation for peacekeeping, and in "non-traditional security issues." Professor Sun noted that agreements signed in countries visited by Xi and Hui fulfilled goals set forward in the White Paper. These agreements included increased energy cooperation with Venezuela, planned police exchanges with Brazil, infrastructure development and financial aid to the three Caribbean nations visited, and MOUs on increasing tourism with Colombia.

A Primary Driving Factor: Global Financial Crisis

14. (C) The primary motivation for the timing of the two-pronged trip to Latin America was the global financial crisis, CICIR Latin American Studies Division Professor Shang Deliang told PolOff February 20. While China was currently Latin America's third largest trading partner, the volume of trade was still only half that of the region's trade with the EU and one fifth of the region's trade with the United States. China's new focus on the region came at a time of reduced global demand, and seeking to expand potential markets there made sense from both a short-term and long-term point of view, he said. In the short term, the shrinking demand in Europe and the United States has made China "desperate" to increase market share elsewhere in order to prevent the closure of struggling Chinese export firms. In the long run, solid relationships with Latin America would help with energy security, resource supply and facets of

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China's key strategic interests, he said. (Note: Increased Chinese exports to the region could exacerbate trade frictions with countries like Mexico, as reported ref B.)

Another Factor: Domestic Timing Considerations?

15. (C) The visits were not timed to come just after the inauguration of the new U.S. President, nor should the visits be seen as a threat to U.S. interests in the region, CICIR Latin American Studies Associate Professor Yang Shouguo told PolOff February 20. Rather, the visits took place in February because of Chinese domestic timing considerations, such as the early March scheduling of the "two meetings" -- the National People's Congress and the Communist Party Political Consultative Committee -- that dominate the schedules of the principals involved in the visits, he said. Brazilian First Secretary Daniella Menezes, in a meeting with PolOff February 18, disagreed, claiming that America's relations with Latin America were largely ignored during the Bush Administration and that China had actively sought to fill the void. The timing of the latest visit was meant to send a signal that China still valued Latin America, and that the change in U.S. Administration did not change Latin America's ability "to count on China," she said.

The White Paper is Nice, but...

16. (C) Vice-President Xi Jinping's visit to Brazil was entirely the suggestion of the Chinese government, Brazilian diplomat Menezes said. Originally, Brazil was not included in the planned visit, but the MFA, "not wanting to overlook a country as large as Brazil," contacted the Brazilian Embassy in Beijing to arrange the trip on short notice, shortly before Xi's departure. Menezes described the entirety of both trips, by both Xi and Hui, as "just another feel-good PR stunt" by the Chinese. "Nothing has changed" in Sino-Brazilian relations since the publication of the White Paper, she said, nor would any major changes be forthcoming following Xi's visit. She described the agreements signed during Xi's visit as "devoid of substance," more akin to memoranda of understanding on various topics than actual

contracts or agreements. Despite her overall negative view of the concrete results of Xi's visit, she noted that, in keeping with the goals of last year's White Paper on Latin America, China and Brazil had agreed to cooperate in the field of police training.

Venezuela: Relations Remain Strong

17. (C) Scrutiny of the agreements signed during Xi's visit to Venezuela reveal that they, too, were largely devoid of new developments. Many of the agreements signed were identical to those signed or announced during Venezuelan President Chavez's September 23-25, 2008 visit to China (ref A), including agreements on joint ventures for the "exploration, exploitation, processing, refining and transportation of crude oil," and for cooperation building a heavy-oil refinery. China and Venezuela once again signed an agreement to double their joint investment fund to USD 12 billion, the same figure agreed on in September. Despite the lack of new content in the agreements, the visit was intended to reinforce China's partnership with Venezuela and stress its importance in China's energy security, CICIR's Sun Yanfeng said. Regarding Venezuela's February 15 constitutional referendum abolishing term limits, three Chinese Latin America scholars declared it "good for China." CICIR's Yang Shouguo noted with a smile that China had excellent relations with Chavez, "so why wouldn't we welcome the change?"

Mexico: Xi's outburst "not directed at America"

18. (C) Vice President Xi's visit to Mexico was marked by an unexpected outburst during a speech to a group of overseas Chinese February 11, during which Xi was quoted as saying, "There are some well-fed foreigners with nothing to do, who point to China and make unnecessary accusations (shuo san dao si)." He then defended China, saying "First, China does not

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export revolution; second, we don't export hunger and poverty; and third, we don't make waves (zhe teng) with you. What else can you say about us?" Hong Kong's South China Morning Post reported that the comment was quickly purged from Chinese media. Mexican Embassy Political Counselor Emmanuel Trinidad said that the outburst was "undiplomatic and unexpected" and that it reflected more of a lack of maturity on the part of Xi Jinping than a policy shift for China. CICIR's Shang Deliang said the outburst stemmed from Xi's "personal frustration" at the current situation but should be not be seen as an attack on America. Contacts in media gave the contrasting view that Xi's statement was most likely "calculated" and intended for China's domestic audience.

Caribbean: Big Dollars Not a Bribe to Other Countries

19. (C) Xi and Hui's visits to Caribbean nations were marked by high-value agreements for infrastructure development and agricultural cooperation. In the Bahamas, Hui signed an agreement earmarking USD 150 million for infrastructure projects, as well as a comprehensive and lengthy agreement on agricultural cooperation aimed at boosting local food production. In the Barbados, three agreements were signed, including one on concessional financing. In Jamaica, agreements were signed totaling over USD 138 million, including a line of credit of up to USD 100 million and a provision for the establishment of a Confucius Institute at the University of the West Indies. The large dollar values pledged to Caribbean nations for infrastructure development and financial aid were "absolutely not" intended to sway other Caribbean nations toward establishing diplomatic relations with the PRC over Taiwan, CICIR's Shang Deliang said. Rather, the aid was a sign of China's "traditional, friendly relations with Caribbean nations." CICIR's Yang

Shouguo said that developing relations with Caribbean nations, including those with deepwater ports, might facilitate China's trade with the Western Hemisphere in the future. Caribbean media stressed that China's aid came at a time of global financial crisis, implying that even in rough times, China would stand by developing Western Hemisphere nations.

Cuba: Not slighted

10. (C) Chinese leaders often visit Cuba when in the Western Hemisphere, but the failure of both Xi and Hui to visit the island should not be seen as a slight, according to two scholars. CICIR's Sun Yangfen noted that Chinese President Hu Jintao had visited Cuba in November 2008, where he was greeted with appropriate media fanfare signaling that China and Cuba maintained their "special relationship." Shang Deliang avowed that Cuba's absence from the itinerary was due only to time constraints.

Chinese Scholars: China Not Threatening the U.S.

11. (C) Unprompted, our Chinese contacts assured us repeatedly that China's interactions in Latin America were neither an effort to replace the United States nor a threat to U.S. interests there. The scholars used similar language following Venezuelan President Chavez's visit to China in September 2008 (ref A), noting that China's relations with other nations "are not directed at third countries," and that China merely sought to build friendly relations on the basis of mutual equality. In contrast, Brazilian diplomat Menezes expressed incredulity at the idea that the United States should not feel threatened by China's increased activities. "Do you honestly believe them?" she asked.
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